

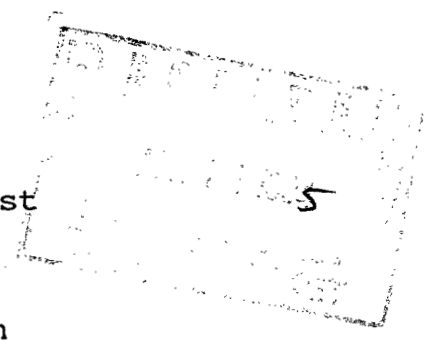
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II-F 002

INFORMATION COLLECTION REQUEST FOR PROPOSED 40 CFR PART 71

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## **PART 71 INFORMATION COLLECTION REQUEST**

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## **1. IDENTIFICATION OF THE INFORMATION COLLECTION**

### **1(a) INFORMATION COLLECTION REQUEST ANALYSIS FOR PART 71 FEDERAL OPERATING PERMITS PROGRAM**

This document fulfills the Agency's requirements under the Paperwork Reduction Act (PRA) with regards to determining the regulatory burden associated with the promulgation of the Federal Operating Permits Program, to be codified at 40 CFR part 71. It has been assigned EPA tracking number 1713.01.

### **1(b) ABSTRACT / EXECUTIVE SUMMARY**

The information found in this Information Collection Request (ICR) is required for the submittal of a complete permit application, as well as the periodic reporting and recordkeeping necessary to maintain that permit once it has been approved. Permitting authorities (PAs), primarily States and local authorities, collect this information from air pollution sources. This information allows the PA and the Federal government to manage air resources. The Agency anticipates the annualized cost of the part 71 permit program will not exceed \$2,326 per source, or approximately 107 hours per year per source. These estimates are based on an estimated 34,324 respondent sources, as established under the 1992 ICR for part 70, amortized over the full five years of the source's permit. The Agency expects annualized direct costs to sources to be approximately \$79.8 million; Federal costs to be \$131.9 million, based on an anticipated ratio of seventy percent contractor and thirty percent Federal employee effort to manage a given permitting program. This Federal cost translates into a Federal permit fee of \$58.40 per ton per year in 1994 dollars.

## **2. NEED FOR AND USE OF THE COLLECTION**

### **2(a) NEED / AUTHORITY FOR THE COLLECTION**

The part 71 program is a Federal operating permits program that will be implemented in those areas without acceptable part 70 programs. Title V of the Clean Air Act imposes on States the duty to develop, administer and enforce operating permit programs which comply with title V and requires EPA to stand ready to issue Federal operating permits when States fail to perform this duty. Section 502(b) of the Act requires EPA to promulgate regulations setting forth provisions under which States will develop operating permit programs and submit them to EPA for approval. Pursuant to this section, EPA promulgated 40 CFR part 70 on July 21, 1992 (57 FR 32250) which specifies the minimum elements of State operating permit programs.

#### **2(a)(1) TEMPORARY PROGRAMS IN STATES AND LOCAL AREAS**

Section 502(d)(3) of the Act requires EPA to promulgate, administer, and enforce a program for a State if an operating permits program for the State has not been approved by November 15, 1995. However, the EPA may suspend the requirement that it establish a Federal

program by November 15, 1995 for States lacking a fully approved program if a State program is granted interim approval. Therefore, EPA will implement a part 71 program when a State fails to submit an operating permits program to EPA or when the program submitted was not sufficient to warrant full approval or interim approval which extends beyond November 15, 1995.

EPA will also establish a part 71 program for a State when interim approval of a State program expires, if that date is after November 15, 1995, and if corrective program provisions have not been adopted and submitted to EPA in time for full approval. Since the suspension of the Federal program requirement runs out with the expiration of interim approval, the requirement that EPA promulgate a Federal program is effective immediately upon that expiration, if after November 15, 1995.

EPA has the authority to establish a partial part 71 program in limited geographical areas of a state if EPA has approved a part 70 program (or combination of part 70 programs) for the remaining areas of the state.

EPA will promulgate a part 71 program for a permitting authority if EPA finds that a permitting authority is not adequately administering or enforcing its approved program and it fails to correct the deficiencies that precipitated EPA's finding.

EPA may use part 71 in its entirety or any portion of the regulations, as needed. Similarly, EPA may use only portions of the regulations to correct and issue a state permit without, for example, requiring an entirely new application. Section 71.4(f) also authorizes EPA to exercise its discretion in designing a part 71 program. The EPA may promulgate a part 71 program based on the national template described in part 71 or may modify the national template by adopting appropriate portions of a State's program as part of the Federal program for that State, provided the resulting program is consistent with the requirements of title V.

## 2(a)(2) PERMANENT PROGRAM FOR OCS AND TRIBES

EPA has authority to establish part 71 programs for areas over which Indian tribes have jurisdiction. The EPA interprets the Act as delegating to tribes the authority to regulate air quality within the boundaries of their reservations. This delegation of authority relates to the potential scope of tribal regulatory jurisdiction under EPA-approved tribal Clean Air Act programs. In addition, EPA recognizes that tribes may also possess inherent authority over some areas which are off-reservation.

Since Indian tribes are not required under the Act to develop operating permit programs, EPA is not required to establish a Federal operating permit program for tribal areas by a specified date. Since many Indian tribes lack the resources and capacity to develop operating permit programs, EPA expects that it will need to administer and enforce part 71 programs on some reservations in order to protect the air quality of areas under tribal jurisdiction. However, EPA does not propose establishing a Federal operating permit program on any particular reservation as part of the part 71 rule making.

The EPA intends to develop an implementation strategy under the Act for achieving Federal protection of air resources within Indian reservations. The strategy will be designed to prioritize EPA resources in support of this goal. The EPA intends to protect tribal air quality through the development of implementation plans, permits programs and other means, including direct assistance to tribes in developing comprehensive and effective air quality management

programs. The EPA will consult with tribes to identify their particular needs for air program development assistance and will provide ongoing assistance as necessary.

EPA will issue permits to "outer continental shelf" (OCS) sources (sources located in offshore waters of the United States) pursuant to the requirements of section 328(a) of the Act. For sources beyond 25 miles of the States' seaward boundaries, EPA is the permitting authority, and the provisions of part 71 will apply to the permitting of those OCS sources. Permits for sources located within 25 miles of a State's seaward boundaries are issued by the Administrator (or a State or local agency which has been delegated the OCS program in accordance with 40 CFR part 55) pursuant to the part 70 or part 71 program which is effective in the corresponding onshore area.

Investigation of the OCS ICR indicates there are only two OCS sources which fall under the jurisdiction of the Federal program. Therefore, since Indian tribes are not required to develop operating permit programs and the number of OCS sources is limited, these components are excluded from this analysis.

## **2(b) USE / USERS OF THE DATA**

The data collected from respondents for a part 71 permit program will be used to (a) develop permit terms which ensure sources comply with the requirements of the Act, (b) provide the Agency with valuable air inventory data for the protection of the environment, and (c) provide these services until such time as the Permitting Authority's part 70 program is approved by EPA.

## **3. THE RESPONDENTS AND THE INFORMATION REQUESTED**

### **3(a) RESPONDENTS / SIC CODES**

The respondents for part 71 come from every region of the country, and are primarily found in the SIC codes between 2000 and 5000, with the majority concentrated in SIC 491, steam plants; 291, petroleum refining; 281, chemical process; 492, natural gas transport; 261 and 262, pulp and paper; 371, automobile manufacturing; and 283, pharmaceuticals. However, for some industries outside of the 200 to 5000 range, permits may also be required.

### **3(b) INFORMATION REQUESTED**

Title V of the Clean Air Act Amendments of 1990 provides that fees collected under the Federal operating permits program may be used solely to cover the costs of administering the program. The following activities which are listed in the proposed regulation at §71.9 comprise those activities which EPA considers to be administration costs:

- (a) preparing generally applicable guidance regarding the permit program or its implementation or enforcement;
- (b) reviewing and acting on any application for a permit, permit revisions, application updates, or permit renewal, including the development of an applicable requirement as part of the processing of an application update, a permit, permit revision or renewal;
- (c) processing permit reopenings;
- (d) general administrative costs of running the permit program, including transition



planning, interagency coordination, contract management, training, informational services and outreach activities, assessing and collecting fees, the tracking of permit applications, compliance certifications and related data entry;

(e) implementing and enforcing terms of any part 71 permit (not including any court costs or other costs associated with an enforcement action), including adequate resources to determine which sources are subject to the program;

(f) emissions and ambient monitoring, modeling, analyses, demonstrations, preparation of inventories, and tracking emissions, provided the activities listed in this subparagraph are needed in order to issue and implement part 71 permits; and

(g) providing direct and indirect support to small business stationary sources in determining applicable requirements and in receiving permits under part 71 in a timely and efficient manner (to the extent that these activities are not undertaken by a State Small Business Stationary Source Technical and Environment Compliance Assistance Program).

After formulating the above list, EPA grouped the activities in a manner similar to the groupings contained in the Information Collection Request (ICR) Document for the State Operating Permits Program rule, 40 CFR part 70. That document contained several charts which outlined many of the activities which would be undertaken by State operating permits programs. In general, these same activities will also be undertaken under the Federal operating permits program.

### 3(b)(1) DATA ITEMS

The minimum data elements required in the source's permit, as well as the basic requirements for compliance plans and compliance certifications, are presented in sections 503 and 504(a), (b) and (c) of the Act. Additional information may be required from some subject sources. For example, sources located in nonattainment areas under part D of title I may be required to fulfill the emissions statement requirements for certain sources of VOC and NO<sub>x</sub>. Similarly, sources of hazardous air pollutants subject to section 112 which are attempting to comply with alternative emissions limits will also need to submit additional information. Respondent requirements from the Act are listed in Appendix B.

### 3(b)(2) RESPONDENT ACTIVITIES

Table 1 in Appendix A of this ICR includes the data categories listed above for respondents, disaggregated to a sufficient extent to ensure adequate accounting of all of the activities necessary for a respondent to compile, submit, maintain records, and report to the Federal government in accordance with the requirements of part 71. Appendix A also includes definitions and formulas for each of the columns and rows in tables 1.

The annualized cost for Table A-1 is found by amortizing the net present value of the two years of costs over a five year permit life for each row, according to the following formula:

Determination of Net Present Value:

$$NPV = C_1 + \left( \frac{C_2}{1.07} \right)$$

Determination of Annualized Value:

$$AV = NPV \left( \frac{.07}{1 - (1.07)^{-5}} \right)$$

where: NPV is the net present value of the stream of costs incurred,

Ci is the cost of year i (columns 8 and 9),

.07 is the Federal discount rate, and

AV is the annualized value found in column 10.

The EPA uses this amortization process to allow sources to carry their approved part 71 permit for its complete five year life, even if the Federal government returns responsibility for the permit back to the proper permitting authority under part 70 rules.

### 3(c) ASSUMPTIONS AND METHODOLOGY FOR RESPONDENT ACTIVITIES

For the purpose of estimating administrative costs, the Agency applied a combination of the model for NSPS and NESHAPS regulations and actual permitting experience<sup>1</sup> as the methodological tool for the specific source operating permit. The time period used for the RIA was 2 years, but the impacts are amortized over five years. This reflects the assumption that a source permitted under part 71 will keep that permit for the full permit cycle even if the Permitting Authority's permit program is approved. For a stationary source, administrative costs include initial charges for processing a permit application and on-going costs for annual and recurring recordkeeping, update, and revision activities. The initial administrative burden includes the task of interpreting the regulations and generating data and information needed for the first permit application. These charges are annualized over the 5-year life of the permit.

The basis for estimating resource costs for the industry sector was \$45 per hour, which is consistent with the methodology of the 1992 ICR for part 70. The rationale for this assumption is that 70 percent of the resources expended by industry would be in-house resources assumed at a rate of \$41 per hour and 30 percent contracted with consultants at a rate of \$55 per hour.

All major sources are assumed to require specific permits under part 71. Because of the short period of time the part 71 is expected to be effective for any Permitting Authority, the Agency believes a general permit program would not be cost effective. Therefore the 12,582 sources which are expected to receive general permits under part 70 will have to apply for permits under the regular small major permit process. Each of these permitted sources is assumed to require permit revisions and updates in accordance with those ratios established for the currently proposed changes to part 70.

## 4. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

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1 Information Collection Request prepared for the Office of Management and Budget (SF-83) by the U.S. Environmental Protection Agency, January 10, 1991.

4(a) AGENCY ACTIVITIES

4(a)(1) FEDERAL BURDEN

Because there are many functions which cannot be delegated to contractors by the Federal government, lines VII and IX of Table A-2 make allowances for the cost of those functions to be retained as a part of the Federal burden. For line VII, the total annualized cost (TAC1) of a seventy percent contractor and thirty percent FTE is determined by the following formula:

$$TAC1 = (.7 \times TSSC \times 1.82) + (.3 \times TSSC) + TNSC$$

where: TSSC is the source specific personnel cost value from line III. of Table A-2, 1.82 is the multiplication factor for translating FTE costs to contractor costs, and TNSC is the total non-source specific costs from Table A-2 line IV.G, which cannot be delegated by the Agency to a contractor.

Similarly, for line IX, the total annualized cost of a one hundred percent contractor run program (TAC2) is determined by the below formula:

$$TAC2 = (TSSC \times 1.82) + TNSC$$

where each definition is the same as for determination of TAC1.

The personnel estimates for developing guidance and interagency coordination were based on EPA staff estimates, in light of the time required to develop guidance for the part 70 program and in light of estimates contained in the Oregon Title V workload analysis.<sup>2</sup> EPA expects it will maintain close communication with the State in which a part 71 program is implemented in order to take advantage of the State expertise and knowledge of the source population and to implement the program in a manner that allows for a smooth transition back to the State.

The Agency anticipates one FTE for contract management. Based on the experience of EPA staff responsible for contract management, it estimates that one FTE would be required to oversee a contract of the size needed to implement a part 71 program. If the EPA staffs the program without the help of contractors, then no costs would be incurred for this activity.

Current EPA staff are not trained to review, design, implement, track, and enforce title V operating permits. The EPA estimates that 2080 training hours per year (or 4160 hours of initial training, averaged over two years) will be required, based on staff estimates.

The additional costs which EPA will incur when it oversees delegated programs and programs which are administered by contractors are included in Table A-3. The hours per occurrence for reviewing permit applications, compliance plans and draft permits are based on the part 70 ICR, as are the hours required to review a permit reopening. For review of permit revisions, the time allocated for reviewing significant permit revisions has not changed from the

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1 Oregon's workload analysis projects 2 FTE's for ongoing development of rules, guidance, and interagency agreements. However, since rule development is not an activity for which EPA may collect fees, EPA used a lower personnel estimate.

values found in the part 70 ICR. These values were based on EPA staff estimates.

#### 4(a)(2) FEE DEMONSTRATION

The calculations necessary for the determination of an appropriate Federal fee are contained in Appendix A. In particular, the enumeration of agency functions and the definition of those functions for purposes of a Federal fee demonstration are the same as those found in Appendix A, Table A-2 for the Federal burden and costs. Table A-4 provides a range of costs for each activity, depending on whether the Agency decides to perform the task itself, contracts out all of those functions that it possibly can, or retains some functions and contracts out the remainder. Table A-4 indicates that, in 1994 dollars, given the tasks necessary for the Federal government to manage a part 71 permitting program, the Agency would have to impose a per ton fee of between \$42.16 (for a 100% FTE managed program) and \$72.68 (if the Agency contracted out 100% of those tasks for which it is appropriate to contract).

#### 4(a)(3) CONCLUSIONS OF THE ANALYSIS

The total burden to respondents and the Federal government are included in the final lines of Tables A-1 and A-2. Since part 71 is a national rule, and since part 71 is designed to build upon a foundation established by part 70, a portion of the analysis for part 71 must necessarily look at the impact of a part 71 program imposed upon all 112 permitting authorities. The Agency recognizes that such an analysis is not a reasonable approximation of what it expects to happen once the deadline for State submittals to have passed, but such an analysis provides valuable information with regard to the impact of a part 71 program. Specifically, by examining the national impact of part 71, the Agency is able to compare the regulatory burden of the rule against the part 70 rule, using similar baselines. This same line of reasoning applies to the comparison of part 71 and part 70 fees.

However, while the Agency recognizes the need for examining the potential burden imposed upon respondents and the Federal government by all 112 permitting authorities having their permit programs disapproved, the Agency also recognizes that, in actuality, no more than ten States are likely to have a part 71 program. While ten States are slightly less than nine percent of all permitting authorities, it constitutes twenty percent of all State programs. Therefore, for purposes of conservative estimation, the maximal burdens defined on line III of Table A-1 and line IX of Table A-2 are divided by five to arrive at a reasonable upper bound to the regulatory burden of the part 71 Federal permitting program. These upper bounds are reported on line IV of Table A-1 for respondents, and line X of Table A-2 for the Federal government.

#### 4(b) COLLECTION METHODOLOGY AND MANAGEMENT

Estimates in this ICR represent the part 71 costs for the five year permit cycle following establishment of the part 71 program. However, costs to the government sector end after the second year. As noted earlier, a part 71 program for any one state is expected to last only two years and all noncompliant permitting authorities are assumed to result in a part 71 Federal permitting program at the beginning of the first year of this analysis. No Federal costs will accrue due to part 71 after the second year.

Burden estimates for the period preceding part 71 program enactment are not allocated to part 71. The costs incurred by States and EPA prior to part 70 program disapproval are assigned to the part 70 rule impacts, even if the part 70 program is disapproved.

The approach used to estimate EPA burden was also used for Federal fee development. Similar to part 70, costs are computed separately for activities involving large and small major sources. Additional cost elements not related to source specific activities are standardized to a per source basis and added to the source-specific costs.

#### 4(b)(1) DETERMINATION OF A PART 71 FEDERAL OPERATING PERMITS PROGRAM BASELINE

The part 70 operating permits program was defined under a final rule of July 1992 detailing the program for State and local governments. States and other jurisdictions were required to submit programs to the EPA for approval by November 15, 1993. Following the promulgation of that rule, it was determined that the Agency needed to reassess its interpretation of title I modifications. Under the original part 70 ICR, title I minor New Source Review (minor NSR) revisions were considered by the Agency to be able to remain off permit until such time as the source sought permit renewal. However, when reassessed, the Agency determined that those minor NSR actions should be included under the requirements for part 70 permit revisions.

Under the current part 70 ICR, the cost of permit revisions was based on an estimated 18,598 annual occurrences at 34,324 sources according to the following distribution: 9,160 large major sources making one permit revision per year; and 25,164 small major sources, half of which would be covered under general permits and have revision opportunity, and the other half would average 0.75 permit revisions per year (9,438 revisions per year). EPA believes that the ICR (2060-0243) approved in August 1992 understates the regulatory impact of the rule because it does not include minor NSR actions. Consequently, it has made adjustments to part 70 in the ICR for the currently proposed changes to part 70. This adjusted baseline is appropriate for evaluating the effect of the proposed part 71 rule as well.

TABLE 4.1  
THE DISTRIBUTION OF OCCURRENCES AMONG THE FOUR REVISION TRACKS  
FOR THE PROPOSED PART 70 CHANGES

	Original	Minor NSR	Total
Significant Permit Revisions (SPR)	2,232	963	3,195
Minor Permit Revisions (MPR)	1,860	7,225	9,084
Administrative Amendments (AA)	12,275	5,298	17,573
<i>De Minimis</i> Permit Revisions	2,232	34,678	36,910
Total	18,598	48,164	66,762

To compute the adjusted baseline, EPA assumed three minor NSR revisions per large major source per year and two minor NSR revisions per small major source per year, for a total of 52,646 minor NSR revisions annually. It also assumed that 3,150 large and 1,350 small major source minor NSR revisions were already included in the August 1992 ICR to account for minor NSR actions which could not have remained off-permit until renewal due to conflicts with existing permit terms. Table II.1 indicates the distribution of the proposed part 70 changes to the permit revisions process among the four revision tracks.

For part 71 purposes, the baseline had to be modified one more time. In addition to the part 70 adjustments above, the Agency believes that the development of a part 71 general permits program would not be cost effective. Consequently, the Agency did not include general permits in its analysis of permit revisions. This resulted in an additional 12,582 sources to be required to apply under the small major permit classification. For those additional permits, this analysis assumes the same frequency of 0.75 permit revisions per year, with the same distribution as that which was already established for the proposed four track part 70 permit revisions system. Table 4.2 below illustrates the distribution of permit revisions as it was developed for purposes of this report.

#### 4(b)(2) ASSUMPTIONS OF THE ANALYSIS

To facilitate the analysis of a Federal operating permit program, the following assumptions have been made:

1. The program for OCS and Tribal lands constitutes an insignificant component of the part 71 program and are excluded from the RIA and ICR analyses.
2. Since the part 71 program is national in scope, the fee determination and a part of the ICR assumes 100% non-compliance on the part of permitting authorities. For purposes of per ton and per source comparisons, this assumption is considered appropriate by the Agency and the OMB.
3. In actuality, the Agency anticipates that, at worst, no more than ten States are likely to fail to have their operating permit program approved by November 15, 1995 and require Federal intervention. For purposes of establishing an upper bound on the total burden of part 71, the Agency and the OMB believe that this assumption is valid.
4. Permit approval is evenly distributed over three years, with permit applications received throughout the first half of the first year of the Federal operating permit program. The Agency applies a "mid-year convention" for purposes of analyzing the impacts of permit approval.
5. The Agency believes that the probable duration of a part 71 program in any given jurisdiction will be two years. Also, part 71 programs will be in effect primarily during the first two years after the effective date of the part 71 rule. Consequently, for purposes of this analysis, the entire Federal operating permit program for noncompliant permitting authorities is assumed to last no more than two years, after which the permitting authority

will regain responsibility for the program. This means that the Federal permit program will approve only two thirds of the title V permits in any given jurisdiction. The remaining third of the permits will be approved by the permitting authority. This also means that the third year costs of the part 71 program are zero.

**TABLE 4.2**  
**THE DISTRIBUTION OF PERMIT REVISIONS UNDER PART 71**

	<u>Large Major</u>	<u>Small Major</u>
Number of Sources	9,160	25,164
Part 70 Revisions / Source / Year	<u>1</u>	<u>0.75</u>
Part 70 Revisions / Year	9,160	18,873
Minor NSR Actions / Source / Year	<u>3</u>	<u>1.5</u>
Minor NSR Actions / Year	27,480	37,746
<u>Part 70 Revisions</u>		
SPR Occurrences	1,099	2,265
MPR Occurrences	916	1,887
AA Occurrences	6,046	12,465
DMPR Occurrences	<u>1,099</u>	<u>2,265</u>
Total part 70 Revisions	9,160	18,873
<u>Minor NSR Actions</u>		
SPR Occurrences	550	755
MPR Occurrences	4,122	5,662
AA Occurrences	3,023	4,152
DMPR Occurrences	<u>19,786</u>	<u>27,177</u>
Total Minor NSR Actions	27,480	37,746
Total SPR Revisions	1,649	3,020
Total MPR Revisions	5,038	7,549
Total AA Revisions	9,068	16,608
Total DMPR Revisions	<u>20,885</u>	<u>29,442</u>

6. For purposes of a Federal operating permit program, the cost of providing a general permit alternative for small major sources is cost prohibitive. Consequently, for those sources assumed to be eligible under part 70 for general permits, no such alternative will be available under the part 71 Federal program. Instead, those sources will be required to obtain source specific operating permits and will have revisions and permit updates with the same frequency as for part 70 small major sources.
7. The Agency believes that, in general, it will take at least as long, and in many cases longer, for the same task to be performed under part 71 *vis a vis* part 70 because the permitting authority generally has a comparative advantage over the part 71 program manager, even if the Federal government delegates that authority back to the original permitting authority. If the Agency or its contractor manages a part 71 program, it must first gather sufficient human capital (experience, background, etc.) that it can efficiently perform its duties. If the Federal government were to delegate its authority back to the permitting authority, then the same reasoning still applies. Clearly, in such a situation, a permitting authority which had its program disapproved must also acquire additional knowledge of and experience about the requirements of the Federal program.

4(b)(3) DETERMINATION OF THE FEDERAL FEE AND THE FEDERAL BURDEN OF PART 71

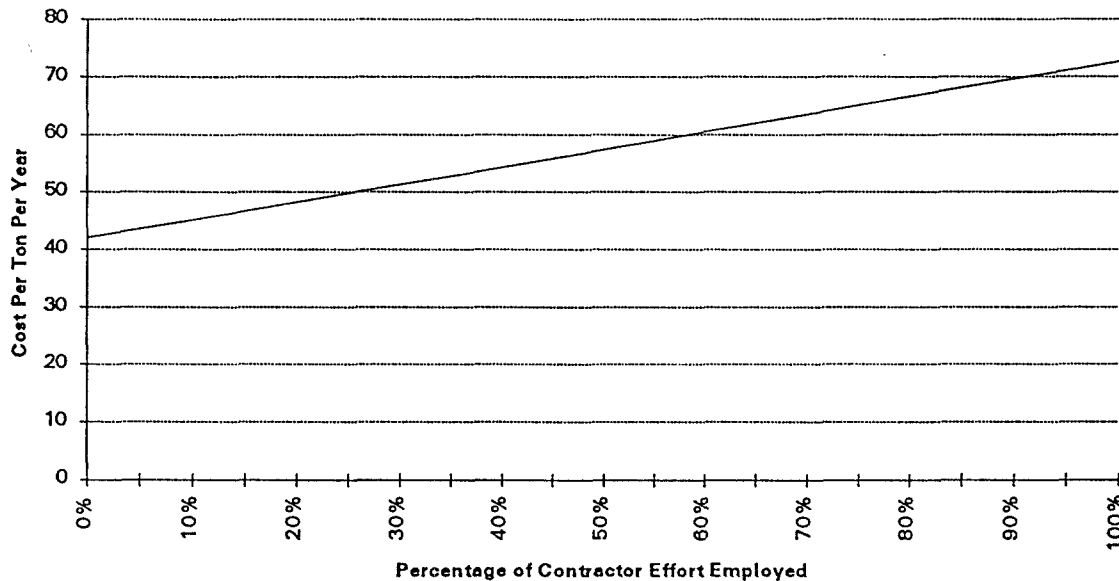
The cost figures in Tables A-1 and A-2 reflect the cost of implementing part 71 nationwide. To convert the cost of a nationwide program into a per ton fee rate, total cost was divided by the total emissions that would be subject to fees. The result is a fee expressed in dollars per ton per year of pollutants emitted.

Table A-4 presents the fee structure for the proposed regulations. There are four columns which represent the fee amounts (expressed in dollars per ton per year) required to recover the costs of a part 71 program under four different scenarios. The following discussion is in terms of 1994 dollars. First, a fee of \$42.16 would be necessary to recover the costs of a program which EPA administers without the delegation of any of its authority or the employment of contractors. Second, a fee of \$72.68 would be required to recover the costs of a program run to the greatest extent possible by contractors. Third, a fee of \$58.40 would be required to recover the cost of a program which was staffed by contractors for seventy percent of the tasks that they may undertake, with the remainder of those tasks and all other tasks being performed by the Federal government. Finally, it would require a Federal fee of \$44.67 if the Agency delegated the responsibility of managing a part 71 permit program back to the permitting authority for which the part 70 program was denied.

The Agency may use its ability to employ contractors to provide greater flexibility in setting its fee. For example, if a permitting authority were to have determined that its own part 70 fee would have been \$51.00 per ton per year, and the Agency believed that that fee was appropriate, the amount of contractor effort could be set at slightly more than twenty five percent. Figure 4-1 below illustrates the linear relationship between the alternative mix strategies and the cost of a Federal program.



**FIGURE 4-1**  
**The Cost of Alternative FTE and Contractor Mixes**  
**in Part 71 Permitting Programs**



To determine the cost of a particular mix of contractors and FTEs, in the following equation, the letter E represents the agency's proportion of total effort (expressed as a percentage of total effort) needed to administer the part 71 program. Therefore, 1-E must represent the level of contractor effort. The per ton fee, F, can be determined by the following formula:

$$F = (E \times \$42.16) + [(1-E) \times \$70.17] + \$2.52$$

where \$2.52 is the Federal surcharge necessary for any program where less than one hundred percent FTE effort is utilized.

#### 4(c) SMALL ENTITY FLEXIBILITY

For ICR approval, the Agency must demonstrate that it "has taken all practicable steps to develop separate and simplified requirements for small businesses and other small entities" (5 CFR 1320.6(h)). A complete Regulatory Flexibility Analysis (RFA) was prepared for this rulemaking. For purposes of completeness, the highlights of that analysis are included below as part of the ICR requirements for the proposed part 71 rulemaking. The term "small entities" includes small businesses, small governmental jurisdictions, and small organizations.

#### 4(c)(1) METHODOLOGY

As part of the RIA developed for the part 70 rulemaking, a regulatory flexibility screening analysis was conducted. This analysis focused on potentially "high risk" industries. These industries were ones with a large percentage of small entities or those that had expressed concern about regulatory burden in the past. A list of industries that met the above criteria was identified.

Emphasis was given to sources which emit PM-10 or VOC. In the screening analysis, the Agency compared the estimated costs of source compliance with title V regulations to the value of sales per facility in each identified "high risk" industry group. The results of that analysis indicated that about a third of these industries may have sources which will incur compliance costs that represent 3 percent or more of sales. Although these figures suggest the potential for adverse impacts, it should be noted that the screening analysis was designed to yield conservative estimates.

#### 4(c)(2) MEASURES TO AVERT IMPACTS ON SMALL ENTITIES

The EPA may exempt one or several source categories, in whole or in part, from the requirements under title V if it is determined that compliance with these requirements would be "impracticable, infeasible, or unnecessarily burdensome". Thus, the impacts of permitting on small firms will be averted completely for any source category which receives a title V exemption. However, the Agency may, under no circumstances, exempt a major source of air pollution. The EPA's regulations grant full exemptions for residential wood stoves and asbestos demolition / remodeling. The regulations also defer applicability for non-major sources until such time as the Administrator completes a rulemaking for that category. Consequently, since part 71 applies almost exclusively to major sources, there is little room for regulatory flexibility to avert the impact of part 70 or 71 on small entities.

#### 4(c)(3) MEASURES TO MITIGATE IMPACTS ON SMALL ENTITIES

The impact of permitting costs on small firms can be mitigated in three ways. The first measure is the implementation of small business stationary source technical and environmental compliance assistance programs as called for in section 507 of the Act (at the Federal and State levels). These programs may significantly alleviate the economic burden on small sources by establishing: 1) programs to assist small businesses with determining what Act requirements apply to their sources and when they apply, and 2) guidance on alternative control technology and pollution prevention for small businesses.

The second mitigation measure is deferred applicability of one or several source categories from the requirements of title V. Small sources will benefit from the proposed initial 5-year deferral because they: 1) will not be required to pay permit fees during this period, and 2) will not be required to obtain a permit during the first years after program approval, when the States and the EPA will be gaining experience in implementing their new title V programs. It would be especially burdensome to require small sources, generally without the legal and technical resources at the level of major sources, to obtain permits at this time.

Third, mitigation can be achieved by discretion of the Federal government. The Agency has the ability, much like permitting authorities, to assess variable emissions fee rates based upon source categories of pollutants as long as they can demonstrate that, in the aggregate, they will recover sufficient fees to cover the costs of developing the program with no net loss of environmental quality. By charging different rates to different source categories, those categories that are small business dominated would pay less per ton, with the balance being absorbed by other categories which are primarily large business dominated.

#### 4(d) COLLECTION SCHEDULE

The following is the anticipated schedule of occurrences for the part 71 rule:

1. October 25, 1995 Promulgation of part 71
2. November 15, 1995 Effective date of part 71 for OCS sources and States lacking approved part 70 programs
3. March 15, 1996 Begin receiving permit applications for OCS sources and States
4. November 15, 1996 All permit applications must be received from sources on OCS and in states lacking approved part 70 programs on November 15, 1995
5. Application updates: Due promptly, (a continuous requirement until permit is issued)
6. Permit revisions: Due promptly, (a continuous requirement after the permit application has been issued)
7. Completeness: Determinations of application completeness must be accomplished within 60 days of receipt of the application
8. Permit issuance: required within 180 days of receipt of application except during first 3 years of the program, when one-third of permits must be issued each year
9. Semi-annual reports: For any monitoring (compliance data) required after permit issuance; underlying applicable requirements may require more frequent reports from source
10. Non-compliance: Sources not in compliance are required to submit progress reports consistent with an applicable schedule of compliance, at least semi-annually
11. Compliance Certifications: Due no less than annually after permit issuance

#### 4(e) ENVIRONMENTAL JUSTICE CONSIDERATIONS

The President's priorities in promoting environmental justice are contained in Executive Order #12898. The greatest opportunity for insuring and promoting environmental justice under part 71 will come through implementing the public participation and empowerment portions of the program and the implementation of this program on Native American lands. Public participation in the permit process has traditionally been the major opportunity to examine potentially adverse impacts on communities. Under both the public participation and small business programs the EPA has the ability to make special effort to reach minority and disadvantaged communities.

Under these programs, EPA is required to perform outreach activities to insure that information reaches the community at large. By including consideration of language barriers and selection of newspapers and other publications that reach minority communities, EPA can improve its outreach efforts to these communities. Due to the national scope of the part 71 program, specific sectors of the economy are not expected to be impacted in a disproportionate manner.

Secondly, this rule protects the air quality of Native American lands when Indian governments do not develop their own permitting program. Part 71 provides a vehicle through which Native American peoples can be afforded the same protection from air pollution that States afford their citizens.

## **5. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

### **5(a) NONDUPLICATION**

For approval of a proposed ICR, the Agency must ensure that it has taken every reasonable step to avoid duplication in its paperwork requirements in accordance with 5 CFR 1320.4. The proposed part 71 rulemaking is mandated by the Act, and supports the title V permit program under 40 CFR part 70. Recognizing that many States and other air quality management entities have already implemented operating permit programs of their own, the part 70 operating permit guidelines were carefully crafted by the Agency and OMB to incorporate sufficient flexibility in reporting that unnecessary duplication would not occur. The part 71 Federal operating permit program has also been carefully designed to function, as much as possible, in a manner identical to that of the part 70 operating permit program managed by an appropriate Permitting Authority. In addition, the two programs are mutually exclusive. A source will either be subject to a part 70 permit program, or it will be subject to a part 71 Federal program. If a source must report under part 71, and the appropriate Permitting Authority regains control of that source's activities, there is no additional or duplicative burden placed upon the source. Therefore, since part 70 does not impose requirements for unnecessarily duplicative reporting, the Administrator affirms that the proposed part 71 rulemaking does not impose such duplicative burdens, either.

### **5(b) CONSULTATIONS**

The Agency contacted Sara Armitage of the Oregon Department of Environmental Quality (503) 229-5186 with regard to the Oregon Workload Analysis, which formed the basis of the Federal ICR analysis of respondent and Federal burden. The Agency also solicited input from State and Territorial Air Pollution Program Administrators (STAPPA), from which no response was received. The Agency gave a presentation on the proposal at the Second National Tribal Conference on Environmental Management on May 24, 1994 and mailed summaries of the proposal to over 200 Indian tribes. It has received some requests for copies of the proposal, but no substantive comments.

In preparation for the promulgation of part 70 and the currently proposed changes to that rule, additional States and industry experts were contacted, and their input was invaluable for the

creation of the part 71 rule. Their input has been recorded as a part of the part 70 RIA.

#### 5(c) EFFECTS OF LESS FREQUENT COLLECTION

Information collected in permit applications is to be submitted every five years, i.e., when a permit is renewed. States may have shorter time limits if they so desire. The title V regulations state that if a source owner or operator certifies that no significant changes have occurred at the source since the existing permit was issued, the application for permit renewal may, at the discretion of the permitting authority, refer to the relevant information in the existing application as an alternative to re-submitting duplicative material. This would allow for some measure of regulatory relief for permit renewals. Title V also requires semi-annual compliance progress reports and annual compliance certifications. These requirements are mandated by the Act and cannot be modified. In addition, when a source wishes to change operations in such a way that it increases the level of emissions allowed by the permit or materially alters the manner with which monitoring activities are performed, that source may be required to submit a permit revision application within prescribed time limits from the change in operations. These applications for revisions are also not allowed to have different deadlines from those imposed by the Act. Consequently, consideration of less frequent collection of information is generally inappropriate for this rulemaking, because part 71 is mandated by the Act, driven by the requirements of title V and the specific requirements of part 70. It cannot reduce the level of respondent activity without creating a conflict with the Act and part 70.

#### 5(d) GENERAL GUIDELINES

OMB's general guidelines for information collections must be adhered to by all Federal Agencies for approval of any rulemaking's collection methodology. In accordance with the requirements of 5 CFR 1320.6, the Agency believes:

1. The part 71 regulations do not require periodic reporting more frequently than semi-annually.
2. The part 71 regulations do not require respondents to participate in any statistical survey.
3. Written responses to Agency inquiries are not required to be submitted in less than thirty days.
4. Special consideration has been given in the design of parts 70 and 71 to ensure that the requirements are, to the greatest extent possible, the same for Federal requirements and those permitting authorities who already have permitting programs in place.
5. Confidential, proprietary, and trade secret information necessary for the completeness of the respondent's permit are protected from disclosure under the requirements of §503(e) and §114(c) of the Act.
6. The part 71 regulations do not require more than one original and two copies of the permit

application, update, or revision to be submitted to the Agency.

7. Respondents do not receive remuneration for the preparation of reports required by the Act, part 70, or part 71.
8. To the greatest extent possible, the Agency has taken advantage of automated methods of reporting.
9. While small entities must follow the same procedures as larger sources, the Agency believes the impact of the part 71 regulations on such small entities to be insignificant and not disproportionate.

With respect to the retention of records, part 71, as an interrelated component of part 70 under title V, requires the maintenance and storage of records for more than the three years recommended in CFR 1320.6(f) in the PRA regulations. However, the maintenance of these records by respondents for more than three years facilitates the respondent's ability to prepare permit revisions and renewals. Therefore, the Agency does not believe that the additional burden imposed by the requirement for longer record maintenance outweighs the benefits enjoyed by respondents because of that additional burden.

#### 5(e) CONFIDENTIALITY AND SENSITIVE QUESTIONS

##### 5(e)(1) CONFIDENTIALITY

Confidentiality is not an issue for this rulemaking. In accordance with title V, the information that is to be submitted by sources as a part of their permit application and update; applications for revisions and renewals is a matter of public record. To the extent that the information required for the completeness of a permit is proprietary, confidential, or of a nature that it could impair the ability of the source to maintain its market position, that information is collected and handled subject to the requirements of §503(e) and §114(c) of the Act. See Appendix B for the text of these two sections of the Act.

##### 5(e)(2) SENSITIVE QUESTIONS

The consideration of sensitive questions, (i.e., sexual, religious, personal or other private matters), is not applicable to this rulemaking. The information gathered for purposes of establishing an operating permit for a source do not include personal data on any owner or operator.

#### 6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

The anticipated burden and costs for the title V part 71 Federal permit program are listed in Appendix A, Table A-1. Effort hours are assumed to be either the same as those found in the part 70 ICR, or determined by polling industry and national experts in the field of permitting. Labor rates for the determination of respondent costs are the same as those established for the

1992 RIA for part 70, i.e., \$45 per hour. For a description of each row and column heading in Table A-1.

#### 6(a) ESTIMATING RESPONDENT BURDEN

The respondent burden of a part 71 permitting program is greater than the burden for the same program operated under part 70. The 1992 ICR for part 70 estimated the total burden to respondents as 6.6 million hours. Currently proposed changes to part 70 indicate that the burden to respondents must be increased by approximately 1.2 million hours, for a total of 7.8 million part 70 respondent burden hours. Part 71 burden hours for years 1 and 2 are included on line III of Table A-1. An average annual burden for the two years of part 71 is not an appropriate measure of the burden of the Federal permitting program on respondents, because respondents have the opportunity to amortize their costs over a five year permit life. Consequently, for a true measure of the average burden to respondents, years three, four and five of the respondents permit cycle must be included. As an approximation of the burden for those years, the Agency used the "Year 2" burden and adjusted it to account for changes in the respondent's permit. For the final three years of the permit, the Agency assumed no application updates and only permit revisions. Since the second year calculations for those categories anticipated a fifty-fifty mix between updates and revisions, each of the last three year's burden was calculated as:

$$\text{Year 3, 4, and 5 Burden} = \text{Year 2 Burden} - \text{Year 2 Updates} + \text{Year 2 Revisions}$$

Table 6-1 illustrates the additional burden imposed by a part 71 permitting program beyond that expected for a program administered by a permitting authority under part 70.

**TABLE 6-1  
DETERMINATION OF PART 71 BURDEN**

BURDEN HOURS	
Year 1	31,387,006
Year 2	5,338,013
Year 3	6,176,869
Year 4	6,176,869
Year 5	6,176,869
<b>TOTAL</b>	<b>55,255,625</b>
<b>AVERAGE BURDEN HOURS</b>	<b>11,051,125</b>
<b>PART 70 AVERAGE BURDEN *</b>	<b>7,762,468</b>
<b>ADDITIONAL PART 71 BURDEN</b>	<b>3,288,657</b>

\* Adjusted for proposed part 70 changes under consideration.

For respondents, the fact that only two-thirds of all permits will be approved under part 71 is not an issue. The respondent deadlines are not affected by this fact, nor are the levels of effort required for a respondent in any category. Except for the unavailability of general permits, the Agency believes that the respondent is indifferent (from an effort perspective) between reporting to the Federal government and reporting to a State permitting authority. The Agency anticipates the additional burden for respondents to be approximately 3.3 million hours annually, or, on average, approximately ninety six hours per respondent. This change represents an approximately 42% increase in burden hours over the part 70 burden of 7.7 million hours annually, or, on average, 226 hours per respondent. The sum of the part 70 and part 71 burdens is then approximately 11 million hours annually, or, on average, 322 hours per respondent. The increase in burden associated with part 71 arises primarily from unavailability of general permits.

#### 6(b) ESTIMATING RESPONDENT COSTS

**TABLE 6-2  
DETERMINATION OF PART 71 COSTS**

1992 part 70	\$ 351,807
Less 1992 part 70 revisions	\$ 53,271
Plus proposed changes	\$ 107,536
Total part 70	<u>\$ 406,072</u>
Part 71	
Year 1	\$ 1,412,415
Year 2	\$ 240,211
Year 3	\$ 277,959
Year 4	\$ 277,959
Year 5	\$ 277,959
5 year Annualization *	\$ 565,495
2 year annualization *	\$ 399,227
Difference: part 70 v. 5 year	(\$ 159,423)
Difference: part 70 v. 2 year	\$ 6,845

\* Annualization was accomplished by the process outlined above under section 3(b)(2) of this report.

The total cost to respondents for a part 71 program must be viewed from several different perspectives. First of all, in terms of a national program, the Agency anticipates the annualized maximum cost of a part 71 program to be in excess of \$399.2 million. This is the result of a



scenario under which every one of the 112 permitting authorities would be found noncompliant under the requirements of part 70 and title V. While there is an extremely small probability of such an occurrence, such a scenario does little to convey the true cost of the part 71 program. Since part 71 is built upon the foundation of part 70, a more appropriate maximal measure of the cost of part 71 is to look at the marginal impact of the rule, above and beyond what a respondent would expect to pay if its permit was administered under a part 70 program. Table 6-2 illustrates the additional cost imposed by a part 71 permitting program above and beyond that which would be expected for a program administered by a permitting authority under part 70. Because of the two year duration of the proposed part 71 program, the annualization of costs in Table A-1 is not appropriate for comparison with a full five year part 70 program. Table 6-2 lists a five year amortization of part 71 costs. The methodology for determining the appropriate values for the five year annualization are the same as those used for Table 6-1 for the determination of the respondent burden for years three, four, and five.

The 1992 ICR for part 70 indicated an annual respondent cost of \$351.8 million. \$53.3 million of which comes from large and small major source revisions, which have been modified under the currently proposed changes to part 70. The proposed changes to part 70 (for permit revisions and several new cost categories not included in the 1992 part 70 ICR) add \$107.5 million to the cost of the 1992 ICR. Therefore, the true baseline cost of part 70 is actually \$406.1 million.

Because the part 71 ICR respondent cost is listed at \$399.2 million in Table A-1, it appears as though the part 71 rulemaking will actually result in a cost reduction for sources of \$6.8 million. For two reasons, this is not the case. First, except for the fact that there are no general permit provisions under part 71, one would expect that the two programs would be very similar with respect to respondent costs. However, line items I.D. and II.D. in Table A-1 mitigate the increase in respondent costs due to the removal of a general permitting provision. These line items differentiate between the costs of permit revisions and application updates. This refinement to the part 71 ICR process results in cost savings that are a component of a part 71 program, but not in part 70. Second, the right hand column of Table A-1 annualized the two years' worth of part 71 costs over the five year life of the respondent's permit. This causes the annualized number to be lower than the corresponding values from part 70 because a part 70 permit program annualized a five year stream of costs. If an approximation of the third, fourth, and fifth year costs of a permit program are added to the part 71 totals, and that total is then annualized over five years at the Federal seven percent rate, then the true annualized cost of part 71 can be seen to be closer to \$565.5 million, with a marginal cost to respondents of approximately \$159.4 million.

In actuality, the assumption that all 112 permitting authorities will require Federal intervention is unreasonably conservative. Approximately forty States currently have working permit programs which will be folded into the part 70 process, and only ten States currently have a probability of noncompliance great enough to warrant consideration as part of a "worst case" upper bound on costs. Given such a worst case scenario, the Agency believes the appropriate upper bound to the respondent costs of part 71 is \$79.8 million, or one-fifth of the maximum cost discussed above.

#### 6(c) ESTIMATING AGENCY BURDEN

The Federal burden for implementing a part 71 program has two components. First, the

maximum burden that could be imposed upon the Agency by a part 71 program would occur if all 112 permitting authorities were denied part 70 programs. Under this scenario, the Agency could anticipate, for a two year global part 71 program, in excess of 28.8 million hours of burden. However, as explained above, the Agency does not believe that more than ten permitting authorities (i.e., States) have a probability of noncompliance sufficiently high that their program should be included in the determination of a Federal "worst case" scenario. Consequently, the true regulatory burden of part 71 to the federal government for purposes of this ICR is 5.8 million hours, or one-fifth of the maximum burden under a globally applied program.

#### 6(d) ESTIMATING AGENCY COST

The total Federal cost for a part 71 program must also be viewed from several different perspectives. First of all, in terms of a national program, the Agency anticipates the annualized maximum Federal cost of a part 71 program will be approximately \$863.1 million, again because of the underlying assumption that all 112 permitting authorities would be found noncompliant under the requirements of part 70 and title V. Table A-4 presents four alternative scenarios for the determination of the Federal cost of part 71. Column two provides the cost of a program administered entirely by Federal employees. While this scenario is impractical due to the short duration of a part 71 program, its total cost (line IV) of \$518.5 million establishes a bottom line for the determination of total Federal costs. A second option available to the Agency is to delegate the Federal part 71 program back to the permitting authority from which the program was derived. Under such a scenario, the Federal costs would remain the same for all line items of Table A-2, because this analysis assumes, as did the 1992 part 70 ICR, that State costs per hour are the same as Federal costs per hour. The calculations for this scenario are found in column three of Table A-4. Column four examines the upper bound scenario: the utilization of contractors to the fullest extent allowed by law. It has a line IV cost of \$ 863.1 million. The last column of Table A-3 contains the Federal cost scenario that is used by this analysis to determine the bottom line cost of part 71 to the Federal government. Since contractors have much greater flexibility in managing resources, and since much of the expertise in permitting can be found in contractors, the Agency assumes seventy percent of a part 71 permit program will be managed by contractors. The remainder will be managed by a combination of Federal and delegated State employees. The maximal cost for such a program is \$687.3 million, or \$137.5 million for the expected cost of that scenario (again one-fifth of the maximal amount).

In accordance with title V, this cost must be passed on to sources in the form of permit fees. As illustrated in Table A-4, the per ton cost of a part 71 permit program is estimated to be between \$42.16 and \$72.68, depending on the actual distribution of effort between FTEs and contractors. This is an increase in expected permit fees of between \$11.92 (39%) and \$42.44 (140%) per ton per year over the presumptive minimum fee established in title V. For the scenario of seventy percent contractor and thirty percent FTE management, the Federal fee works out to \$44.67, or \$14.43 (48%) per ton per year more than a comparable part 70 program. Therefore, in actuality, the Federal cost of a part 71 permitting program will be zero, and the costs to respondents should be increased to include the cost of the Federal fee.

An actuality, the Agency does not believe that more than ten States may require Federal part 71 intervention. Consequently, the maximum anticipated Federal cost of part 71 is \$131.9 million. As in the determination of the respondent costs discussed above, this value is one-fifth of

the maximal cost for all 112 permitting authorities.

6(e) BOTTOM LINE BURDEN HOURS AND COSTS / BURDEN TABLES

For purposes of establishing a bottom line impact for part 71, the following assumptions will be maintained: (1) the Agency will utilize contractor effort at the seventy percent level, with thirty percent of the effort accomplished by FTEs, (2) only one fifth of all sources (a proxy for ten States) will require part 71 permitting, and (3) the duration of the part 71 program will be two years.

TABLE 6-3  
BOTTOM LINE EFFECTS OF PART 71

	5-YEAR	
	TOTAL	PER SOURCE
Number of Sources	6,865	6,865
Burden Hours		
Respondents	7,345,004	1,070
<u>Federal</u>	<u>5,761,409</u>	<u>839</u>
Total	13,106,413	1,909
Average Annualized Cost ( thousands)		
Respondents	\$ 79,845	\$ 11.63
<u>Federal</u>	<u>\$ 137,470</u>	<u>\$ 20.02</u>
Total	\$ 217,315	\$ 31.66
Federal Fee *	\$ 58.40	

\* Based on a seventy percent contractor, thirty percent FTE mix.

6(f) BURDEN STATEMENT

The information collection requirements in this proposed rule have been submitted for approval to OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 et. seq. An ICR document has been prepared by the EPA and a copy may be obtained from Sandy Farmer, Information Policy Branch (2136), U.S. Environmental Protection Agency, 401 M St., Washington, D.C. 20460, (202) 260-2740. Request ICR No. 1713.01.

The average annual burden for this collection of information is approximately 1.47 million hours total for sources, or approximately 1,070 hours per source. This includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data

needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Chief, Information Policy Branch (2136) U.S. Environmental Protection Agency, 401 M St. SW, Washington, D.C. 20503, marked, "Attention: Desk Officer for the EPA." The final rule will respond to any OMB or public comments on the information collection requirements contained in this proposal.

**APPENDIX A**

**DETERMINATION OF THE FEDERAL FEE;**  
**THE FEDERAL AND RESPONDENT BURDEN;**  
**AND THE FEDERAL AND RESPONDENT COST**

## **A.1. RESPONDENT DEFINITIONS AND ASSUMPTIONS**

### **A.1.a. COLUMN DEFINITIONS AND ASSUMPTIONS**

Columns three and four of Table A-1, "Occurrences" indicate the first and second year number of times each source is expected to undertake the activity for that row.

Column five, "Hours Per Occurrence", indicates the number of person-hours required to perform the activity for that row one time.

Columns six and seven, "Hours" indicate the total number of first and second year person-hours required to perform the activity of the row for all sources. It is derived by multiplying the number of sources (column two) times the appropriate number of occurrences (column three or four), and then multiplying that product by the number of hours per occurrence (column five).

The total cost for each row in Table A-1 is derived by multiplying the appropriate "Hours" column (column six or seven) times \$45.00 per hour, in accordance with the 1992 ICR for part 70 and the current ICR for the changes to part 70 under consideration at this time.

### **3(b)(2)(ii) ROW DEFINITIONS AND ASSUMPTIONS**

"Rule Interpretation / Planning" includes the following tasks: review of appropriate rules and regulations, meetings with the permitting authority and/or Federal government (if needed), and any necessary negotiations.

"Information Collection / Analysis" includes inventory of emission points, estimation of emissions, inventory of existing air pollution control equipment and monitoring devices, or equipment, and identification of applicable requirements.

"Permit Application / Compliance Plan Development" includes preparation of the application form, including the identification of alternative scenarios, a compliance plan, a compliance schedule (if applicable), a certification of compliance, and a certification as to the truth, accuracy, and completeness of the application.

"Large (Small) Major Permit Updates" are broken down into 4 categories which correspond to the 4 tracks for permit revisions, each of which has different procedures as provided in §71.7. Permit updates are changes to an existing permit application, submitted by the source prior to approval of the permit. Permit updates are assumed to require half of the amount of time required to perform a permit revision for the same size classification of major sources.

"Large (Small) Major Permit Revisions" are broken down into 4 categories which correspond to the 4 tracks for permit revisions, each of which has different procedures as provided in §71.7. Permit revisions are modifications to the source's permit after approval of the initial permit. The number of occurrences under each of the four permit revisions tracks for large major sources is the same as in the proposed changes to part 70 currently under consideration. For small major sources, the number of occurrences differs from the proposed changes to part 70 because of the exclusion of general permits to half of the universe of small major sources. For all small major sources, the Agency uses the same ratio of occurrences as found in the proposed changes to part 70 currently under consideration.

"Progress Reporting / Monitoring / Compliance Certification" includes semi-annual progress reports if the source is out of compliance, reports of any required monitoring on a semi-annual (or more frequent) basis, and certification as to the respondent compliance status.

"Public Hearing" includes preparation and participation in the hearing, including drafting and publishing public notices for hearings; travel, per diem, and transportation costs; registering participants; conducting and recording the proceeding; and preparing a transcript or other record of the proceeding.

## **A.2. FEDERAL DEFINITIONS AND ASSUMPTIONS**

### **A.2.a. COLUMN DEFINITIONS AND ASSUMPTIONS**

Columns three and four of Table A-2, "Occurrences" indicate the first and second year number of times each source is expected to undertake the activity for that row.

Column five, "Hours Per Occurrence", indicates the number of person-hours required to perform the activity for that row one time. Due to the need for either the Agency, its contractor, or its delegated authority to become familiar with the provisions of part 70 and part 71 prior to permit management, the EPA assumes that, on average, it will take one and a half times as long for a part 71 large major source permit revision to be completed, relative to that of a part 70 large major permit revision. The Agency assumes that, on average, small major permit revisions will take two-thirds of the time required for the same revision track in the large major category. For other categories in the "Hours per Occurrence" column, the Agency has added additional hours beyond those assumed in the part 70 ICR, as well.

Columns six and seven, "Hours" indicate the total number of first and second year person-hours required to perform the activity of the row for all sources. It is derived by multiplying the number of sources (column two) times the appropriate number of occurrences (column three or four), and then multiplying that product by the number of hours per occurrence (column five).

The total cost for each row in Table A-2 is derived by multiplying the appropriate "Hours" column (column six or seven) times \$34.00 per hour, in accordance with the 1992 ICR for part 70 and the current ICR for the changes to part 70 under consideration at this time.

The annualized cost for each entry in the last column in Table A-2 is found by taking the sum of the "Year 1" cost column and the present value of the "Year 2" cost column, discounted at an seven percent annual percentage rate, then amortizing that sum over two years. This deviation from a typical ICR is due to the fact that the Agency expects that it will return permitting responsibility to the proper Permitting Authority under an approved part 70 program after only two years.

### **A.2.b. ROW DEFINITIONS AND ASSUMPTIONS**

"Application Completeness Review" includes the following tasks: review of source file, meeting with source (if needed), data entry, issuance of letter of receipt to source, and completeness review.

"Technical Review and Processing" covers all tasks subsequent to the completeness review through preparation of a draft permit, including: review of existing permits, files, data, inspections, surveys, and calculations to determine applicable requirements; amending the permit for permit updates; technical review of the application and compliance strategies; gathering additional information (if needed) through on-site visits and meetings; and preparation of a draft permit. It also includes any revisions to the draft permit made in response to public comment or

affected State review.

"Process Permit Reopenings" includes the same activities as does "Technical Review and Processing" except that the scope of the activities is limited to those parts of the permit for which cause to reopen exists. In addition, the activity includes the notice of intent to reopen which the permitting authority must provide to the source.

"Permit Updates" is broken down into 4 categories which correspond to the 4 tracks for permit revisions, each of which has different procedures as provided in §71.7. Permit updates are changes to an existing permit application, submitted by the source prior to permit issuance. Permit updates are assumed to take longer for significant permit revisions, since they will entail major modifications of sources; and the least amount of time for administrative amendment revisions, which are generally editorial in nature. For significant permit revisions prior to permit approval, as well as for *de minimis* and minor permit revisions, the Agency assumes that the Federal analyst charged with processing the application will have to expend a significant amount of time learning about the permit before making a determination. Consequently, the "Hours Per Occurrence" for these types of revisions are much larger than a comparable part 70 estimate would indicate. The number of occurrences under each of the four permit revisions tracks follows the same ratio as in the proposed changes to part 70 currently under consideration.

"Permit Revisions" is broken down into 4 categories which correspond to the 4 tracks for permit revisions, each of which has different procedures as provided in §71.7. Permit revisions are modifications to the source's permit after approval of the initial permit. The number of occurrences under each of the four permit revisions tracks for large major sources is the same as in the proposed changes to part 70 currently under consideration. For small major sources, the number of occurrences differs from the proposed changes to part 70 because this analysis assumes general permits are not a cost effective alternative. This change causes half of the universe of small major sources to require greater effort in developing an approvable part 71 permit application. For all small major sources, the Agency uses the same ratio of occurrences as found in the proposed changes to part 70 currently under consideration.

"Draft and Send Notifications to Affected States" includes all the tasks needed to comply with the requirements of §71.8(a), including: determining which entities are affected States and transmitting the required information.

"Draft and Publish Public Notice" includes: drafting and publishing a notice of certain permitting actions (for draft permits, including reopenings and for significant permit revisions), maintaining records of commenters and issues raised (except where a public hearing is granted).

"Organize and Hold Public Hearings" includes: registering participants, conducting and recording the proceeding, preparing a transcript or other record of the proceeding.

"Compliance Inspection / Program Coordination" covers field oriented activities which are necessary to ensure compliance with emission limits and other requirements and to respond to complaints from the public, as well as administrative activities needed to support the compliance assurance program. These activities include: on-site inspections and related travel; documentation of inspections, including compliance status with each permit requirement; review of compliance findings with the source; log and respond to complaints, including initiation of enforcement action if required; follow-up inspections for sources out of compliance; preparation of notice of violation (if appropriate); preparation of case referral to enforcement staff; maintain data base which tracks inspection schedules, activity, results, and source compliance.

"Review Progress and Semi-annual Reports" covers the review of progress reports



required of sources which are not in compliance and required compliance monitoring reports, consultation with sources if additional information is needed, compliance assessment and documentation, and referral to enforcement staff (if appropriate).

"Emissions Tracking / Testing" covers activities needed to track emissions from part 71 sources and to assess emissions fees as well as work performed to assure emission testing data collected by sources are accurate and reliable, such as observation of source tests, and review of test plans and test results.

The activities required to administer a Small Business Assistance Program (Table A-2, section IV.A) developing information materials, conducting information outreach through workshops and seminars, coordinating information efforts with trade associations and other industry groups, operating an information clearinghouse and providing direct technical assistance to small businesses. The Agency allocated two FTE's to this activity based on the title V workload estimates developed by numerous States.

The projections for "Transition Planning" (line IV.B.) were based on estimates used in the part 70 ICR. The projections for "Informational Services" (line IV.C.) were based on Oregon's title V workload analysis which allocated 1 FTE for educating sources and the public about the general content of the permit program and the impacts on specific sectors. Activities include preparation of brochures and newsletters, contacts with the media, and responses to public requests for information.

**Table A-1**  
**Source Burden and Costs for Part 71 Operating Permits Program**

Activity	Number of Sources	Occurrences		Hours Per Occurrence	Hours		Cost (in thousands)		
		Year 1	Year 2		Year 1	Year 2	Year 1	Year 2	Annualized
I. LARGE SOURCES (> 100 tpy)									
A. Rule Interpretation / Planning	9,160	1	0	382	3,499,120	0	\$157,460	\$0	\$38,403
B. Information Collection / Analysis	9,160	1	0	405	3,709,800	0	\$166,941	\$0	\$40,715
C. Permit Applicaiton / Compliance Plan Development	9,160	1	0	407	3,728,120	0	\$167,765	\$0	\$40,916
D. Large Major Permit Updates									
1. SPR	9,160	0.15	0.09	120	164,880	98,880	\$7,420	\$4,450	\$2,824
2. MPR	9,160	0.46	0.28	120	503,760	302,280	\$22,669	\$13,603	\$8,629
3. AA	9,160	1.90	1.14	12	208,848	125,304	\$9,398	\$5,639	\$3,577
4. DMPR	9,160	0.83	0.49	19	143,583	86,146	\$6,461	\$3,877	\$2,459
5. Total Large Major Permit Updates					1,021,071	612,610	\$45,948	\$27,567	\$17,490
E. Large Major Permit Revisions									
1. SPR	9,160	0.09	0.15	120	98,880	164,880	\$4,450	\$7,420	\$2,776
2. MPR	9,160	0.28	0.46	120	302,280	503,760	\$13,603	\$22,669	\$8,485
3. AA	9,160	1.14	1.90	12	125,304	208,848	\$5,639	\$9,398	\$3,517
4. DMPR	9,160	0.49	0.83	19	86,146	143,583	\$3,877	\$6,461	\$2,418
5. Total Large Major Permit Revisions					612,610	1,021,071	\$27,567	\$45,948	\$17,197
F. Progress Reporting / Monitoring / Compliance Certification	9,160	0	2	40	0	732,800	\$0	\$32,976	\$7,516
G. Public Hearing	9,160	0.10	0.05	267	244,572	122,286	\$11,006	\$5,503	\$3,938
H. TOTAL LARGE MAJOR SOURCES	9,160				12,815,293	2,488,767	\$576,688	\$111,995	\$166,176
II. SMALL SOURCES (<100 tpy)									
A. Rule Interpretation	25,164	1	0	220	5,536,080	0	\$249,124	\$0	\$60,759
B. Information Collection / Analysis	25,164	1	0	195	4,906,980	0	\$220,814	\$0	\$53,855
C. Permit Applicaiton / Compliance Plan Development	25,164	1	0	245	6,165,180	0	\$277,433	\$0	\$67,663
D. Small Major Permit Updates									
1. SPR	25,164	0.10	0.06	80	201,280	120,800	\$9,058	\$5,436	\$3,448
2. MPR	25,164	0.25	0.15	80	503,280	302,000	\$22,648	\$13,590	\$8,621
3. AA	25,164	0.98	0.59	8	196,280	117,768	\$8,833	\$5,300	\$3,362
4. DMPR	25,164	0.55	0.33	13	175,307	105,184	\$7,889	\$4,733	\$3,003
5. Total Small Major Permit Updates					1,076,147	645,752	\$48,427	\$29,059	\$18,434
E. Small Major Permit Revisions									
1. SPR	25,164	0.06	0.10	80	120,800	201,280	\$5,436	\$9,058	\$3,390
2. MPR	25,164	0.15	0.25	80	302,000	503,280	\$13,590	\$22,648	\$8,477
3. AA	25,164	0.59	0.98	8	117,768	196,280	\$5,300	\$8,833	\$3,306
4. DMPR	25,164	0.33	0.55	13	105,184	175,307	\$4,733	\$7,889	\$2,953
5. Total Small Major Permit Revisions					645,752	1,076,147	\$29,059	\$48,427	\$18,125
F. Progress Reporting / Monitoring / Compliance Certification	25,164	0	2	20	0	1,006,560	\$0	\$45,295	\$10,324
G. Public Hearing	25,164	0.04	0.02	240	241,574	120,787	\$10,871	\$5,435	\$3,890
H. TOTAL SMALL MAJOR SOURCES					18,571,713	2,849,246	\$835,727	\$128,216	\$233,051
III. MAXIMUM SOURCE BURDEN AND COSTS					31,387,006	5,338,013	\$1,412,415	\$240,211	\$399,227
IV. ANTICIPATED SOURCE BURDEN AND COSTS					6,277,401	1,067,603	\$282,483	\$48,042	\$79,845

Annualized costs are determined by taking the net present value of the first and second year part 71 costs and amortizing that value over five years at seven percent to take full adv of the source's five year permitting cycle.

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**Table A-2**  
**Federal Burden and Costs for Part 71 Operating Permits Program**

Activity	Number of Sources	Occurrences		Hours Per Occurrence	Hours		Cost (in thousands)		
		Year 1	Year 2		Year 1	Year 2	Year 1	Year 2	Annual
I. LARGE SOURCES (> 100 tpy)									
A. Applicaiton Completeness Review	9,160	1	0	10	91,600	0	\$3,114	\$0	\$1,723
B. Technical Review & Processing	9,160	0.33	0.33	407	1,230,280	1,230,280	\$41,830	\$41,830	\$44,758
C. Process Permit Re-openings	9,160	0	0.25	72	0	164,880	\$0	\$5,606	\$2,898
D. Large Major Application Updates									
1. SPR	9,160	0.15	0.09	63	86,562	51,912	\$2,943	\$1,765	\$2,540
2. MPR	9,160	0.46	0.28	41	170,019	102,020	\$5,781	\$3,469	\$4,990
3. AA	9,160	1.90	1.14	10	169,689	101,810	\$5,769	\$3,462	\$4,980
4. DMPR	9,160	0.83	0.49	30	226,710	136,020	\$7,708	\$4,625	\$6,654
5. Total Large Major Permit Updates					652,980	391,761	\$22,201	\$13,320	\$19,165
E. Large Major Permit Revisions									
1. SPR	9,160	0.09	0.15	126	103,824	173,124	\$3,530	\$5,886	\$4,995
2. MPR	9,160	0.28	0.46	81	204,039	340,038	\$6,937	\$11,561	\$9,813
3. AA	9,160	1.14	1.90	20	203,619	339,378	\$6,923	\$11,539	\$9,794
4. DMPR	9,160	0.49	0.83	60	272,040	453,420	\$9,249	\$15,416	\$13,085
5. Total Large Major Permit Revisions					783,522	1,305,960	\$26,640	\$44,403	\$37,686
F. Draft and Send Notices to Affected States	9,160	0.42	0.73	4	15,387	26,747	\$523	\$909	\$759
G. Draft & Publish Public Notice	9,160	0.42	0.73	9	34,625	60,181	\$1,177	\$2,046	\$1,709
H. Organize and Hold Public Hearings	9,160	0.04	0.07	178	65,219	114,134	\$2,217	\$3,881	\$3,232
I. Compliance Inspection / Program Coordination	9,160	1	1	90	824,400	824,400	\$28,030	\$28,030	\$29,992
J. Review Progress and Semi-annual Reports	9,160	0.00	1.30	20	0	238,160	\$0	\$8,097	\$4,186
K. Emissions Tracking / Testing	9,160	1	1	31	283,960	283,960	\$9,655	\$9,655	\$10,330
L. TOTAL LARGE MAJOR SOURCES					3,981,973	4,640,463	\$135,387	\$157,776	\$156,437
II. SMALL SOURCES (<100 tpy)									
A. Applicaiton Completeness Review	25,164	1	0	10	251,640	0	\$8,556	\$0	\$4,732
B. Technical Review & Processing	25,164	0.33	0.33	174	1,444,917	1,444,917	\$49,127	\$49,127	\$52,566
C. Process Permit Re-openings	25,164	0	0.25	64	0	402,624	\$0	\$13,689	\$7,076
D. Small Major Applicaiton Updates									
1. SPR	25,164	0.10	0.06	42	105,672	63,420	\$3,593	\$2,156	\$3,102
2. MPR	25,164	0.25	0.15	27	169,857	101,925	\$5,775	\$3,465	\$4,986
3. AA	25,164	0.98	0.59	7	159,478	95,687	\$5,422	\$3,253	\$4,681
4. DMPR	25,164	0.55	0.33	20	276,800	166,080	\$9,411	\$5,647	\$8,124
5. Total Large Major Permit Revisions					711,807	427,112	\$24,201	\$14,522	\$20,892
E. Small Major Permit Revisions									
1. SPR	25,164	0.06	0.10	84	126,840	211,344	\$4,313	\$7,186	\$6,100
2. MPR	25,164	0.15	0.25	54	203,850	339,714	\$6,931	\$11,550	\$9,804
3. AA	25,164	0.59	0.98	13	191,373	318,955	\$6,507	\$10,844	\$9,204
4. DMPR	25,164	0.33	0.55	40	332,160	553,600	\$11,293	\$18,822	\$15,976
5. Total Large Major Permit Revisions					854,223	1,423,613	\$29,044	\$48,403	\$41,084
F. Draft and Send Notices to Affected States	25,164	0.39	0.68	4	39,256	68,444	\$1,335	\$2,327	\$1,941
G. Draft & Publish Public Notice	25,164	0.39	0.68	9	88,326	154,004	\$3,003	\$5,236	\$4,368
H. Organize and Hold Public Hearings	25,164	0.04	0.07	151	151,991	265,983	\$5,168	\$9,043	\$7,533
I. Compliance Inspection / Program Coordination	25,164	1	1	90	2,264,760	2,264,760	\$77,002	\$77,002	\$82,392
J. Review Progress and Semi-annual Reports	25,164	0.00	1.30	19	0	621,551	\$0	\$21,133	\$10,924
K. Emissions Tracking / Testing	25,164	1	1	31	780,084	780,084	\$26,523	\$26,523	\$28,379
L. TOTAL SMALL MAJOR SOURCES					6,587,003	7,853,092	\$223,958	\$267,005	\$261,887
III. TOTAL SOURCE SPECIFIC FEDERAL BURDEN FOR LARGE AND SMALL MAJOR SOURCES					10,568,976	12,493,554	\$359,345	\$424,781	\$418,324

**Table A-2 (cont.)  
Federal Burden and Costs for Part 71 Operating Permits Program**

Activity	Number of Sources	Occurrences		Hours Per Occurrence	Total Hours		Total Costs (in thousands)		FTE Annual Costs (in thousands)	
		Year 1	Year 2		Year 1	Year 2	Year 1	Year 2		
IV. Non-Source Related Personnel Costs										
A. Small Business Assistance	112	1	1	4160	465,920	465,920	\$15,841	\$15,841	\$16,950	
B. Transition Planning	112	1	1	3192	357,504	357,504	\$12,155	\$12,155	\$13,006	
C. Informational Services	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475	
D. Ongoing Guidance / Interagency Coordination (Agency only)	112	1	1	4160	465,920	465,920	\$15,841	\$15,841	\$16,950	
E. Contract Management (One FTE)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475	
F. Training (averaged over two years) (Agency only)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475	
G. Total Non-Source Related Personnel Costs					1,988,224	1,988,224			\$72,332	
V. TOTAL PERSONNEL COST OF A 100% FTE RUN FEDERAL OPERATING PERMIT PROGRAM										490,655
VI. MULTIPLICATION FACTOR FOR 70% CONTRACTOR / 30% FTE RESOURCE MIX										1.58
VII. MAXIMUM PERSONNEL COST FOR PART 71 FOR ALL 112 PERMITTING AUTHORITIES, 70% CONTRACTOR / 30% FTE										\$659,461
VIII. MULTIPLICATION FACTOR FOR A 100% CONTRACTOR PROGRAM										1.82
IX. TOTAL PERSONNEL COST OF A 100% CONTRACTOR RUN FEDERAL OPERATING PERMIT PROGRAM										\$835,157
X. ANTICIPATED FEDERAL BURDEN AND COSTS FOR A 70% CONTRACTOR, 30% FTE RESOURCE MIX										\$131,892

**Table A-3**  
**Federal Surcharge for Contractor and Delegated Programs**

Activity	Number of Sources	Occurrences		Hours Per Occurrence	Hours		Cost (in thousands)			
		Year 1	Year 2		Year 1	Year 2	Year 1	Year 2	Annualized	
I. Large Major Source Surcharge for Delegated and Administered Programs										
A. Review Permit Application, compliance plan, draft permit	9,160	0.33	0.33	40	120,912	120,912	\$4,111	\$4,111	\$4,260	
B. Review Draft Applicaiton Updates										
1. Significant Permit Modification	9,160	0.15	0.09	8	10,992	6,596	\$374	\$224	\$315	
2. Minor	9,160	0.46	0.28	4	16,794	10,076	\$571	\$343	\$481	
3. De Minimis	9,160	0.82	0.49	4	30,226	18,136	\$1,028	\$617	\$866	
4. Administrative	9,160	1.90	1.30	4	69,616	47,474	\$2,367	\$1,614	\$2,089	
5. Total Large Major Applicaiton Updates					127,628	82,282	\$4,339	\$2,798	\$3,752	
C. Review Draft Permit Revisions										
1. Significant Permit Modification	9,160	0.09	0.15	16	13,192	21,984	\$449	\$747	\$609	
2. Minor	9,160	0.28	0.46	8	20,152	33,588	\$685	\$1,142	\$931	
3. De Minimis	9,160	0.49	0.82	8	36,272	60,452	\$1,233	\$2,055	\$1,675	
4. Administrative	9,160	1.30	1.90	8	94,948	139,232	\$3,228	\$4,734	\$4,072	
5. Total Large major Permit Revisions					164,564	255,256	\$5,595	\$8,679	\$7,287	
D. Review Reopenings	9,160	0	0.25	16	0	36,640	\$0	\$1,246	\$602	
E. Total Large Major Source Surcharge					\$413,104	\$495,090	\$14,046	\$16,833	\$15,900	
II. Small Major Source Surcharge for Delegated and Administered Programs										
A. Review Permit Application, compliance plan, draft permit	25,164	0.33	0.33	20	166,082	166,082	\$5,647	\$5,647	\$5,851	
B. Review Draft Application Updates										
1. Significant Permit Modification	25,164	0.10	0.06	4	10,066	6,076	\$342	\$207	\$289	
2. Minor	25,164	0.25	0.15	2	12,582	7,549	\$428	\$257	\$361	
3. De Minimis	25,164	0.55	0.33	2	27,680	29,442	\$941	\$1,001	\$1,004	
4. Administrative	25,164	0.98	0.59	2	49,124	16,608	\$1,670	\$565	\$1,197	
5. Total Small Major Applicaiton Updates					99,452	59,675	\$3,381	\$2,029	\$2,850	
C. Review Draft Permit Revisions										
1. Significant Permit Modification	25,164	0.06	0.10	8	12,152	20,132	\$413	\$684	\$559	
2. Minor	25,164	0.15	0.25	4	15,098	25,164	\$513	\$856	\$697	
3. De Minimis	25,164	0.33	0.55	4	33,216	98,248	\$1,129	\$3,340	\$2,238	
4. Administrative	25,164	0.59	0.98	4	58,884	55,360	\$2,002	\$1,882	\$2,017	
5. Total Small Major Permit REvisions					119,350	198,904	\$4,058	\$6,763	\$5,511	
D. Review Reopenings	25,164	0	0.25	8	0	50,328	\$0	\$1,711	\$827	
E. Total Small Major Source Surcharge					384,884	474,989			\$15,040	
III. TOTAL SURCHARGE									\$30,940	
IV. SURCHARGE PER TON									\$2.52	

**Table A-4**  
**Determination of the Federal Fee for Alternative Management Scenarios**

	100% FTE	Delegated Program	100% Contractor	70% Contractor 30% FTE
I. Base Cost	\$490,655	\$490,655	\$835,157	\$659,461
II. Travel	\$14,488	\$14,488	\$14,488	\$14,488
III. Non-Personnel Data Management and Tracking	\$13,400	\$13,400	\$13,400	\$13,400
IV. Total Maximal Costs	\$518,543	\$518,543	\$863,045	\$687,349
V. Total Expected Cost	\$103,709	\$103,709	\$172,609	\$137,470
VI. Per to fee (at 12.3 million tpy)	\$42.16	\$42.16	\$70.17	\$55.88
VII. Surcharge for Delegated or Con- tractor Administered Program	\$0	\$2.52	\$2.52	\$2.52
VIII. Total Fee in 1994 Dollars	\$42.16	\$44.67	\$72.68	\$58.40
IX. Total Fee in 1996 Dollars	\$44.73	\$47.39	\$77.11	\$61.95

	5-YR TOTAL	PER SOURCE
Number of Sources	6,865	6,865
Burden Hours		
Respondents	1,469,001	214
Federal	5,579,771	813
	7,048,771	1,027
Annualized Cost (thousands)		
Respondents	79,845	\$11.63
Federal	137,470	\$20.02
	217,315	\$31.66
\$4,987	\$813	

## **APPENDIX B**

### **The Statutory Requirements for Respondent Information**

### SEC. 503. PERMIT APPLICATIONS.

"(a) **APPLICABLE DATE.**-Any source specified in section 502(a) shall become subject to a permit program, and required to have a permit, on the later of the following dates-

"(1) the effective date of a permit program or partial or interim permit program applicable to the source; or

"(2) the date such source becomes subject to section 502(a).

"(b) **COMPLIANCE PLAN.**-(1) The regulations required by section 502(b) shall include a requirement that the applicant submit with the permit application a compliance plan describing how the source will comply with all applicable requirements under this Act. The compliance plan shall include a schedule of compliance, and a schedule under which the permittee will submit progress reports to the permitting authority no less frequently than every 6 months.

"(2) The regulations shall further require the permittee to periodically (but no less frequently than annually) certify that the facility is in compliance with any applicable requirements of the permit, and to promptly report any deviations from permit requirements to the permitting authority.

"(c) **DEADLINE.**-Any person required to have a permit shall, not later than 12 months after the date on which the source becomes subject to a permit program approved or promulgated under this title, or such earlier date as the permitting authority may establish, submit to the permitting authority a compliance plan and an application for a permit signed by a responsible official, who shall certify the accuracy of the information submitted. The permitting authority shall approve or disapprove a completed application (consistent with the procedures established under this title for consideration of such applications), and shall issue or deny the permit, within 18 months after the date of receipt thereof, except that the permitting authority shall establish a phased schedule for acting on permit applications submitted within the first full year after the effective date of a permit program (or a partial or interim program). Any such schedule shall assure that at least one-third of such permits will be acted on by such authority annually over a period of not to exceed 3 years after such effective date. Such authority shall establish reasonable procedures to prioritize such approval or disapproval actions in the case of applications for construction or modification under the applicable requirements of this Act.

"(d) **TIMELY AND COMPLETE APPLICATIONS.**-Except for sources required to have a permit before construction or modification under the applicable requirements of this Act, if an applicant has submitted a timely and complete application for a permit required by this title (including renewals), but final action has not been taken on such application, the source's failure to have a permit shall not be a violation of this Act, unless the delay in final action was due to the failure of the applicant timely to submit information required or requested to process the application. No source required to have a permit under this title shall be in violation of section 502(a) before the date on which the source is required to submit an application under subsection (c).

"(e) **COPIES; AVAILABILITY.**-A copy of each permit application, compliance plan (including the schedule of compliance), emissions or compliance monitoring report, certification, and each permit issued under this title, shall be available to the public. If an applicant or permittee is required to submit information entitled to protection from disclosure under section 114(c) of this Act, the applicant or permittee may submit such information separately. The requirements of section 114(c) shall apply to such information. The contents of a permit shall not be entitled to



protection under section 114(c).

**"SEC. 504. PERMIT REQUIREMENTS AND CONDITIONS.**

"(a) CONDITIONS.-Each permit issued under this title shall include enforceable emission limitations and standards, a schedule of compliance, a requirement that the permittee submit to the permitting authority, no less often than every 6 months, the results of any required monitoring, and such other conditions as are necessary to assure compliance with applicable requirements of this Act, including the requirements of the applicable implementation plan.

"(b) MONITORING AND ANALYSIS.-The Administrator may by rule prescribe procedures and methods for determining compliance and for monitoring and analysis of pollutants regulated under this Act, but continuous emissions monitoring need not be required if alternative methods are available that provide sufficiently reliable and timely information for determining compliance. Nothing in this subsection shall be construed to affect any continuous emissions monitoring requirement of title IV, or where required elsewhere in this Act.

"(c) INSPECTION, ENTRY, MONITORING, CERTIFICATION, AND REPORTING.-Each permit issued under this title shall set forth inspection, entry, monitoring, compliance certification, and reporting requirements to assure compliance with the permit terms and conditions. Such monitoring and reporting requirements shall conform to any applicable regulation under subsection (b). Any report required to be submitted by a permit issued to a corporation under this title shall be signed by a responsible corporate official, who shall certify its accuracy.

*§70.5(c) Standard applications form and required information.* The State program under this part shall provide for a standard application form or forms. Information as described below for each emissions unit at a part 70 source shall be included in the application. The Administrator may approve as part of a State program a list of insignificant activities and emissions levels which need not be included in permit applications. However, for insignificant activities which are exempted because of size or production rate, a list of such insignificant activities must be included in the application. An application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate the fee amount required under the schedule approved pursuant to §70.9 of this part. The permitting authority may use discretion in developing application forms that best meet program needs and administrative efficiency. The forms and attachments chosen, however, shall include the elements specified below:

(1) Identifying information, including company name and address (or plant name and address if different from the company name), owner's name and agent, and telephone number and names of plant site manager/contact.

(2) A description of the source's processes and products (by Standard Industrial Classification Code) including any associated alternative scenario identified by the source.

(3) The following emission related information:

(i) All emissions of pollutants for which the source is major, and all emissions of regulated air pollutants. A permit application shall describe all emissions of regulated air pollutants emitted from any emissions unit, except where such units are exempted under this paragraph (c) of this section. The permitting authority shall require additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source, and other information necessary to collect any permit fees owed under the fee schedule approved pursuant to §70.9(b) of this part.

(ii) Identification and description of all points of emissions described in paragraph (c)(3)(i) of this section in sufficient detail to establish the basis for fees and applicability of requirements of the Act.

(iii) Emissions rate in tpy and in such terms as are necessary to establish compliance consistent with the applicable standard reference test method.

(iv) The following information to the extent it is needed to determine to regulate emissions: Fuels, fuel use, raw materials, production rates, and operating schedules.

(v) Identification and description of air pollution control equipment and compliance monitoring devices or activities.

(vi) Limitations on source operation affecting emissions or any work practice standards, where applicable, for all regulated pollutants at the part 70 source.

(vii) Other information required by any applicable requirement (including information related to stack height limitations developed pursuant to section 123 of the Act.)

(viii) Calculations on which the information on paragraphs (c)(3)(i) through (c)(3)(vii) of this section is based.

(4) The following air pollution control requirements:

(i) Citation and description of all applicable requirements, and

(ii) Description of or reference to any applicable test method for determining compliance with each applicable requirement.

(5) Other specific information that may be necessary to implement and enforce other applicable requirements of the Act or of this part or to determine the applicability of such

requirements.

(6) An explanation of any proposed exemptions from otherwise applicable requirements.

(7) Additional information as determined to be necessary by the permitting authority to define alternative operating scenarios identified by the source pursuant to § 70.6(a)(9) of this part or to define permit terms and conditions implementing § 70.4(b)(12) or § 70.6(a)(10) of this part.

(8) A compliance plan for all part 70 sources that contains all the following:

(i) A description of the compliance status of the source with respect to all applicable requirements.

(ii) A description as follows:

(A) For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.

(B) For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.

(C) For requirements for which the source is not in compliance at the time of permit issuance, a narrative description of how the source will achieve compliance with such requirements.

(iii) A compliance schedule as follows:

(A) For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.

(B) For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.

(C) A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to and shall not sanction noncompliance with, the applicable requirements on which it is based.

(iv) A schedule for submission of certified progress reports no less frequently than every 6 months for sources required to have a schedule of compliance to remedy a violation.

(v) The compliance plan content requirements specified in this paragraph shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under title IV of the Act with regard to the schedule and method(s) the source will use to achieve compliance with the acid rain emissions limitations.

(9) Requirements for compliance certification, including the following:

(i) A certification of compliance with all applicable requirements by a responsible official consistent with paragraph (d) of this section and section 114(a)(3) of the Act;

(ii) A statement of methods used for determining compliance, including a description of monitoring, recordkeeping, and reporting requirements and test methods;

(iii) A schedule for submission of compliance certifications during the permit term, to be

submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority; and

(iv) A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements of the Act.

(10) The use of nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under title IV of the Act.

(d) Any application form, report, or compliance certification submitted pursuant to these regulations shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this part shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

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